

**Business Enterprise Program Council for Minorities,
Females, and Persons with Disabilities Meeting**

MEETING MINUTES

**Monthly Council Meeting
Location: Video Conference Room 2-025
James R. Thompson Center
100 W. Randolph Street, Chicago, Illinois**

Monday, April 27, 2009 1:00 pm

COUNCIL MEMBERS IN ATTENDANCE

Matt Beaudet
Raymond Arias
Phillip Barreda
Florence Cox
Issa Lozada
Patrick Blair
Hedy Ratner
Curtis Thompson
Larry Ivory
Edward Stanfield

COUNCIL SECRETARY

Mayra Garcia Guzman

CMS STAFF IN ATTENDANCE

James Sledge, CMS Director
Lynn Carter, CMS/Legal
Scott Seder, CMS/Legal
Yvette Riley, CMS/BEP
Rachel Barksdale Y. Little, CMS/BEP
Leslie Taylor, CMS/BEP
Harry Reinhard, CMS/BEP

CMS STAFF NOT IN ATTENDANCE

Nancy Quoss

COUNCIL MEMBERS NOT IN ATTENDANCE

Leticia Herrera
Darryl Harris
Michael Gonzalez
Beth Doria
Gloria Camarena
Lynn Turner

OTHERS IN ATTENDANCE

Meghan Paulas, Attorney for Human Rights Commission
Maria de Lourdes Coss, University of Illinois/MAFBE

GENERAL PUBLIC ATTENDEE

Edmon Lighthall, Illinois Black Chamber of Commerce

AGENDA

- 1.0 CALL TO ORDER
- 2.0 ROLL CALL
- 3.0 APPROVAL OF THE MINUTES OF THE REGULAR COUNCIL MEETING HELD ON FEBRUARY 23, 2009
- 4.0 CHAIR'S REPORT
- 5.0 POSTED BUSINESS
 - 5.1 Exemption Requests by Agencies
- 6.0 UNFINISHED BUSINESS
 - 6.1 Committee Updates
 - A. Exemption Committee
 - B. Bonding Committee
 - C. Professional Services
- 7.0 NEW BUSINESS
 - 7.1 Ethics Officer for Business Enterprise Council
- 8.0 EXECUTIVE SESSION
- 9.0 ADJOURNMENT

CALLED TO ORDER

Matt Beaudet, Assistant Director for Illinois Department of Central Management Services, called the Business Enterprise Program Council meeting to order at 1:12 PM.

Mayra Garcia Guzman, Business Enterprise Council Secretary, took roll call.

INTRODUCTION

Matt Beaudet welcomed all attendees to the meeting. Mr. Beaudet explained briefly to the Council the purpose of the meeting. Handouts were distributed to the Council.

Mr. Beaudet introduced James Sledge, new CMS Director.

Director Sledge provided the Council with a brief background of his professional experience and education. James Sledge was appointed Director of CMS in August 2008. He apologized to the Council for not attending prior council meetings since his appointment. Director Sledge stated his strong beliefs surrounding minority issues and minority contracting, making them a priority for his administration.

Director Sledge also shared the initiatives he and his staff is currently engaged. Additionally, Director Sledge asked the Council to provide their recommendations and suggestions for future directions of the Program. Recommendations will be identified as an agenda item for the next meeting.

Director Sledge encouraged the Council to continue working in smaller committee groups addressing core issues, and developing new strategies to move the program forward.

MINUTES OF COUNCIL MEETING OF FEBRUARY 23, 2009

The minutes of the Council meeting held February 23 were motioned for approval by Edward Stanfield and seconded by Phillip Barreda. The remaining members of the Council approved the minutes. No opposition nor abstentions.

2009 COUNCIL MEETINGS

Council meetings will be scheduled for the fourth Monday of each month, from 1:00 to 3:00 PM. In May the Council meeting will be held on the fourth Tuesday due to the observed holiday. The Council meetings for 2009 are scheduled as follows:

26th January 2009 – JRTC, Room 2-025
23rd February 2009 – JRTC, Room 2-025
23rd March 2009 – JRTC, Room 2-025
27th April 2009 – JRTC, Room 2-025
26th May 2009 – JRTC, Room 9-036
22nd June 2009 – JRTC, Room 2-025
27th July 2009 – JRTC, Room 2-025
24th August 2009 – JRTC, Room 2-025
28th September 2009 – JRTC, Room 2-025
26th October 2009 – JRTC, Room 2-025
23rd November 2009 – JRTC, Room 2-025
28th December 2009 – JRTC, Room 2-025

ELECTRONIC FILING OF MINUTES

Currently, and in the future, duly approved BEP Council meeting minutes will be posted on the BEP Website.

CHAIR'S REPORT

Chair Beaudet reported on the following items:

Business Initiatives:

- Chair Beaudet reported that there are currently four (4) vacancies on the Business Enterprise Council. Interested persons may apply through the Governors' website (www.illinois.gov). Click on appointments.illinois.gov. This website embodies all State boards and councils. Individuals may now submit their request for their appointment to various boards and councils.
- Secretary Mayra Garcia Guzman suggested that the Council members direct interested persons to the Governor's website to apply for the Business Enterprise Council. The Council does not recommend members directly to the Governor. The Council is free to

acknowledge that vacancies exist and that anyone is free to apply, but appointments are made directly by the Governor.

Business Enterprise Outreach:

- Chair Beaudet reported that the Business Enterprise Program performs outreach events in addition to the monthly certification workshops. May 2009 Calendar of events will be furnished upon request.

House and Senate Appropriation Committee Hearings:

- Chair Beaudet informed the Council that House and Senate Appropriation Committee Hearings would convene tomorrow in Springfield. CMS Director Sledge and his staff will report on fiscal year 2008 achievements of the Business Enterprise Program. The appropriation hearings present an opportunity to communicate to the legislators the statutory mechanisms employed by the Business Enterprise Program. Central Management Services and the Business Enterprise Program always welcome the General Assembly's suggestions and opinions on how to improve the Program.

Overview of Fiscal Year 2008 Annual Report:

- Chair Beaudet provided a brief overview from fiscal year 2008 BEP achievements allowing discussion and feedback from the Council. BEP's Annual Report revealed needed improvements in the area of Persons with Disabilities (PBE) versus the federally defined disability enterprises. BEP experienced a 90% increase in vendor application processing. There was an increase state spending over 72 million dollars over the previous year, representing a 12.5% increase. Total recorded state spending towards BEP vendors spending was over 644 million in FY 08 compared to 572 million in FY 07. Overall, BEP demonstrated a 245% achievement goal, which included a 308% achievement goal for minority females (FBE) and 259% in goal for MBE.

Vendor Discrimination Cases:

- Chair Beaudet read, moved, and presented that an Agenda item be added for next meeting to receive and review vendor discrimination cases. Members of the public would remain free to submit evidence of past and/or current discrimination activities to the Council pursuant to section 8(b) of the Business Enterprise for Minorities, Females and Persons with Disabilities Act ("the Act") (30 ILCS 575/8b). Council may recommend discrimination cases to the Governor's Office, if they concur with the discrimination facts that are presented. Any such case may be used in 'Disparity Studies'.

POSTED BUSINESS

Chair Beaudet reported that the Exemption Committee meeting was convened earlier today at 11:30 a.m. in accordance with the Open Meetings Act. Under examination by the Committee were Fiscal Year 2009 requested exemptions documented by Agencies and Universities that report to BEP. Those in attendance included: Edward Stanfield, Mayra Garcia Guzman, Matt Beaudet, Phillip Barreda, Larry Ivory, Harry Reinhard, Business Enterprise Compliance Manager, and Compliance Coordinators, Leslie Taylor, Yvette Riley and Rachel Barksdale Little. Chair Beaudet thanked the committee for its hard work and dedication and yields the floor to Committee Lead Chairman, Edward Stanfield. Harry Reinhard explained the exemption presented to the committee, and outlined the Committee's functionary role with respect to the review.

Exemption Committee Report:

Mr. Edward Stanfield stated that he and his committee met this morning and went over a number of things dealing with agencies and universities that request that certain funds be exempted from their goal. Harry Reinhard furnished the committee with a cover sheet and a two (2)-part

exemption review report. The first report indicated all requested exemptions by all agencies and universities with associated Comptroller detailed object codes, requested dollar amounts, and an explanation as to why this amount should be exempt in BEP goal calculations.

The second exemption report indicated a one-page sheet of proposed exemption requests. This report detailed exemption requests that BEP Compliance staff deemed questionable and requiring further review by the Committee. BEP staff recommendation was to deny these proposed exemption requests.

Mr. Edward Stanfield reported that he and his committee reviewed and discussed the exemption reports with the Business Enterprise Compliance staff and identified a few questionable exemption categories that should be earmarked for further investigation by the Council.

They are:

1242 – Auditing, Management, Consulting
1244 – Legal Fees
1245 – Professional & Artistic Services
1266 – Court Reporting & Filing
1302 – Printing

Business Enterprise Compliance staff agreed contact the appropriate agencies and universities in an effort to provide the committee with a more detail explanation of these detail object codes and their relationship in the exemption process.

Committee discussion and conclusions are as follows:

The committee believes there are minorities available to perform work within these categories, and as a result, should not be exempt. The Committee believes that agencies and universities should be able to identify BEP vendors for these line item categories. Mr. Phil Barreda suggested CMS create an open pool Professional & Artistic contract services that will allow minority businesses to bid on these contracts.

Presentation by Harry Reinhard, Business Enterprise Compliance Manager:

Mr. Edward Stanfield asked Mr. Harry Reinhard to provide a presentation to the Council on the exemption reports discussed in their committee meeting this morning, and respond to any subsequent questions the Council may have. Mr. Harry Reinhard provided the Council with copies of the exemption reports and provided a detail explanation of each. Mr. Reinhard explained to the Council that his staff has been in constant contact with the agencies and universities in an effort to obtain as much detail as possible regarding these exemptions.

Mr. Harry Reinhard explained the compliance process through the utilization of compliance plans. Mr. Reinhard addressed Council fears of repercussion in their action of denying these requested exemptions. Mr. Reinhard explained that on an annual basis, each agency director and university president signs Part II of the BEP Compliance Plan, which incorporates statutory reference to their responsibility in the BEP goal process, as well as, the Council's responsibility in upholding this section of the statute. Mr. Reinhard noted that the Council has the sole authority to deny or approve a requested exemption, as well as, determine which financial line items are considered as an allowable exemption.

Council discussion and highlights of the presentation:

- Agency/University Annual Compliance Plans vs. Annual Expenditure Report
- Approval of agency/university requested exemptions
- How agency/university determine BEP goal participation

- Developing guidelines for written approval and denial letters to agency/university on compliance plans and exemption requests
- CMS Master contracts vs. unbundling contracts
- CMS Master contracts vs. opening a pool of suppliers to utilize BEP vendors
- Office Depot contract monitoring and BEP participation (14%)
- Large contracts with waivers

Council ruled to accept requested exemptions for agency/university, motioned for approval by Edward Stanfield, and seconded by Phillip Barreda. The remaining members of the Council approved requested exemptions.

Council Agreed:

Council ruled to defer five (5) exemption categories pending further investigation by the Business Enterprise Compliance staff, motioned for approval by Hedy Ratner, and seconded by Phillip Barreda.

Council Agreed.

By a motion duly made, proposed non-exemption request was seconded by Phillip Barreda and was duly carried by unanimous vote.

Note: Proposed non-exemption request list was denied by the Council due to the agency/university inability to provide a valid reason for the exemption for BEP participation.

Council Agreed.

UNFINISHED BUSINESS

The Council continued their discussion on established committees. The Council voted last month to disband the Disparity committee.

The existing committees are as follows:

- Compliance
- Exemption
- Professional Services
- Bonding

Council ruled to merge the Exemption and Compliance committees, motioned for approval by Raymond Arias, and seconded Florence Cox. The remaining members of the Council approved merging the Exemption and Compliance committees.

Note: Raymond Arias and Edward Stanfield agreed to co-chair the Exemption/Compliance committee. Next Exemption/Compliance Committee meeting will convene May 19, 2009, 11:00 AM.

Council Agreed.

Council ruled to continue the Professional Services committee, motioned for approval by Phillip Barreda, and seconded by Florence Cox.

Council Agreed.

Committees that will remain:

- Exemption/Compliance
- Professional Services

Council Agreed.

Bonding committee was tabled until next month meeting.

Note: Council made no discussion on this committee.

Council Agreed.

NEW BUSINESS

Council ruled for Chair Beaudet to send written correspondence to the Governor to fill Council vacancies, motioned for approval by Hedy Ratner, and seconded by Larry Ivory.

Council Agreed.

Council ruled for Chair Beaudet to contact the Governor to appoint new liaison to the Council, and motioned for approval by Florence Cox and seconded by Curtis Thompson.

Note: Chair Beaudet explained to the Council that the Governor will decide how he wishes to communicate to the Council whether by liaison or by monthly written reports.

Council Agreed.

Council voted to amend meeting schedule. The May 26 meeting to be cancelled and resume June 22, 2009 as scheduled. Motion for approval by Phillip Barreda and seconded by Hedy Ratner.

Council Agreed.

Secretary Mayra Garcia Guzman announced the newly assigned Ethics Officer to the Council. She stated that Debra Matlock, CMS General Counsel, would replace Letitia Dominici.

Secretary Mayra Garcia Guzman asked the Council to send her their written recommendations for Director Sledge's review by May 26, 2009.

NEXT STEPS

- May 26th Council meeting will be cancelled and resume June 22, 2009 in the James R. Thompson Center, Room 2-025.
- Secretary Mayra Garcia Guzman reminded the Council that a full certification appeal would be heard at the next Council meeting.
- Next Exemption/Compliance Committee meeting will convene May 19, 2009, 11:00 a.m.

Meeting Adjourned at 2:45 pm

